

Appendix III Stimulating Land Markets
ATTACHMENT A: Sample Registration Procedures

MODEL PROVISIONS
for Interaction
among Oblast Judicial Agency for Title Registration and Other Rayon-Based Agencies

PART I. INTRODUCTION

1. The current Model Provisions are based on the following laws:
 - RF Law «On State Registration of the Title»;
 - Regulations for Novgorodskaya oblast Judicial Agency for Title Registration (approved by Novgorodskaya oblast Governor's Order #137, dated April 7, 1998);
 - Provisions for Maintaining the Unified State Title Register (approved by RF Governmental Order #219, dated February 2, 1998);
 - RF Presidential Ukaze #2130, dated December 12, 1993 «On Maintaining State Land Cadastre and Title Registration»;
 - Provisions «On State Recording of Residential Fund in the Russian Federation» (approved by the RF Governmental Order #1301, dated October 13, 1997).
2. Interaction among agencies stated below in paragraph 3 of this Part is organized with the following goals:
 - to simplify the procedures for processing documents required for title registration;
 - to set up unified procedures for recording of properties that provide for transparency of the real estate market and protect legal interests of citizens.
3. Agencies Subject to Regulation by These Provisions.
 - 3.1. Novgorodskaya oblast Judicial Agency for Title Registration (further referred to as Judicial Agency). The functions of the Judicial Agency on the rayon level shall be exercised by its local branch.
 - 3.2. Agencies involved in description and recording of buildings and premises (further referred to as building recording agencies), i.e.:
 - municipal Bureau of Technical Inventory (BTI);
 - «Novtechinventarizatsiya» for Novgorodsky and Batetsky rayons.
 - 3.3. Land description and recording agency:
 - a respective rayon Committee for Land Resources and Land Management.

3.4. Other agencies involved:

- local self-government agency;
- rayon (municipal) department for city planning and architecture;
- courts;
- tax agencies;
- other agencies (as provided for by current laws).

3.5. An applicant. In compliance with these Provisions an applicant shall be a person who submits an application to register the emergence, transference or cessation of real estate rights and respective encumbrances and/or real estate transactions.

PART II. DIVISION OF AUTHORITY AMONG PROPERTY RECORDING AGENCIES AND JUDICIAL AGENCY

4. General

4.1. An applicant shall contact property recording agencies for documents required by the Judicial Agency for title registration. Such documents shall be submitted to the applicant within time limits and for a fee as set by authorized agencies. Property recording agencies shall not retain the originals of submitted documents and shall not make any inscriptions on them (with the exception of payment documents).

4.2. An applicant shall submit an application for title registration and two copies of all required documents to the Judicial Agency.

4.3. If the Judicial Agency needs additional information concerning real property and/or real estate rights that emerged prior to this registration, the Judicial Agency may send a request for such information to a respective property recording agency. Property recording agencies shall submit the requested information free of charge within ten working days. The Judicial Agency may have additional direct agreements with property recording agencies regarding urgent submission of information for a fee set by Novgorodskaya oblast Administration.

4.4. After title registration (or denial in such registration) the Judicial Agency shall return one set of documents required for title registration to the applicant. The fact of title registration is certified by a Certificate of Title Registration issued in one copy to the title holder. Registration of agreements and other transactions is certified by a respective registration inscription on a document that describes the transaction.

4.5. In compliance with these Provisions, the Judicial Agency shall regularly and freely provide data on registered rights to property recording agencies.

5. Application Documents Required for State Registration of Emergence or Transference of Rights to a Land Parcel.

5.1. A land recording agency shall submit the following documents to the Applicant:

- a certificate of encumbrances imposed on a land parcel and recorded in the Land Book prior to May 12, 1998;
- a map of the land parcel with a cadastral or other temporary number.

6. Application Documents Required for State Registration of Emergence or Transference of Rights to a Building, its Part or Interior Space

6.1. A building recording agency shall provide the applicant with the following documents:

- data on the location, description, technical condition, evaluation and ownership of real estate (Form 1-RP);
- floor maps with indication of the cadastral number of the property.

7. Interaction of Agencies in the Process of Designating a Cadastral Number to Real Properties

7.1. When a Judicial Agency registers rights to a building, part of a building or interior space located on a land parcel whose cadastral number is unknown, the Judicial Agency shall send an inquiry for information for a designated cadastral number to a land recording agency. In the letter of inquiry the real property is identified by its mail address. A property map may be attached to the letter of inquiry.

7.2. Within five working days a land recording agency shall send a response to the Judicial Agency containing the following information:

- the number and date of inquiry;
- the date of response;
- the real estate mail address;
- other real estate identifiers (if any);
- the cadastral number of the relevant land parcel, the date of its designation and the number of its cadastral file; the official's position, name and signature.

The cadastral number must be in the format approved by the «Provisions for the Format and the Order of Recording Real Estate Cadastral Numbers» (approved by the RF Governmental Order, dated April 15, 1996) and the Order of Novgorodskaya oblast Administration, dated November 25, 1995 «On the Format of Real Estate Cadastral Numbers».

If a cadastral number has not been designated to a land parcel by the time of inquiry for information, the land recording agency shall designate such cadastral number to the land parcel.

7.3. If within five working days a land recording agency fails to designate a cadastral number to a land parcel, the Judicial Agency shall designate a temporary number to such land parcel. The Judicial Agency shall regularly provide data on designated temporary numbers to the oblast Committee for Land Resources and Land Management.

7.4. In the future, when the land recording agency designates a cadastral number to the property regarding which the Judicial Agency has once requested cadastral information, the land recording agency, within one day after designating the cadastral number, shall provide the following information to the respective branch of the Judicial Agency:

- the number and date of inquiry from the Judicial Agency;
- the cadastral number (numbers);
- the date of designating the cadastral number;
- the number of the land surveying file;
- a map of the land parcel.

7.5. Upon receiving the above information, the Judicial Agency, within five working days, shall:

- change the respective temporary number in the Unified State Title Register for a designated cadastral number;
- inform the real estate owner about the designated cadastral number.

8. Information on Registered Rights that the Judicial Agency Shall Provide to Property Recording Agencies.

8.1. Before the 10th date of the first month of each quarter the Judicial Agency shall provide land recording agencies with data on land rights registered in the previous quarter of the year. Data shall be adequate for keeping the Land Book (if possible, data shall also be submitted in a required format).

8.2. Before the 10th date of the first month of each quarter the Judicial Agency shall provide building recording agencies with data on building rights registered in the previous quarter of the year.

PART III. INTERACTION WITH LOCAL SELF-GOVERNMENT AUTHORITIES

9. By-Laws Constituting Basis for State Registration of Rights

- 9.1. Issues of granting and returning of land use rights:
oblast law «On the Procedures of Granting and Returning of Land Use Rights in Novgorodskaya Oblast»;
- 9.2. Privatization issues:
Regulations on the approval of a plan of privatization;
- 9.3. Issues of transference of use and ownership rights;
Decision on granting a gratuitous land use right;
Agreement on transference of land into gratuitous use;
- 9.4. Issues of establishing public servitudes:
Decision on establishing a public servitude;
- 9.5. Issues of putting real estate into operation:
Decision certifying that an earlier completed building has been put into operation;
or Decision approving a building completion certificate;
- 9.6. Issues of approving vested rights:
Decision on the approval of vested real estate rights;
- 9.7. Issues of recording real estate that has no owner:
Resolution validating the fact that the real estate has no owner;

Application submitted to the oblast Judicial Agency with a request to put the real estate on a list of real properties that have no owner; upon completion of a year since the date of such recording the real estate can get the status of a municipal property (based on a court decision);

- 9.8. Issues of inheritance from the deceased:
Certificate of escheating real estate by local self-government authorities (based on the request of local self-government authorities).

10. Delegation of Authority

- 10.1. Local self-government authorities may pass by-laws and decisions on issues that are within the authority of Novgorodskaya oblast administration only if such authority has been delegated to them by Novgorodskaya oblast administration; their by-laws shall contain language referring to a specific resolution delegating such authority.

10.2. Rural and semi-rural administrations may pass Decisions on issues that are within the authority of local self-government authorities only if such authority has been delegated to them by local self-governments; their by-laws shall contain language referring to a specific resolution delegating such authority.

11. Providing Local Self-Government Authorities with Information on Registered Rights

11.1. Pursuant to clauses 14.1. and 14.3. of these Provisions, the Judicial Agency shall provide local self-government authorities with relevant information.

PART IV. INTERACTION WITH OTHER AGENCIES

12. Providing Information on Registered Rights to the Holder of Right

12.1. The Judicial Agency shall provide all holders of rights with information on rights registered for a respective real property as well as with information on the above rights given to other parties within five days prior to the date of application. Agencies listed in clause 14.1. obtain such information free, other agencies shall pay a fee established by Novgorodskaya oblast Administration.

13. Interaction with Tax Agencies

13.1. Land recording agencies and building recording agencies shall provide rayon tax agencies with information on real estate and respective rights that emerged prior to May 12, 1998 in compliance with established procedures.

13.2. The Judicial Agency shall provide rayon tax agencies with information on real estate rights that emerged after May 12, 1998 in compliance with agreements signed by the Judicial Agency and rayon tax agencies.

13.3. The Judicial Agency shall provide rayon tax agencies with data on right establishing documents and rights registered on the basis of a donation agreement within 15 days after registration in compliance with an agreement signed between the Judicial Agency and a rayon tax agency.

13.4. The Judicial Agency shall recommend an applicant to obtain confirmation of the fact that the alienator of rights has paid all due taxes on the transferred property (such information may be obtained from a tax agency). If an applicant fails to submit such information within two working days after application, the Judicial Agency shall inform a rayon tax agency by telephone about the received application on the third working day after application.

14. Providing Other Agencies with Information on Registered Rights

14.1. Within five working days the Judicial Agency shall provide title transfer information free of charge to the following agencies:

- police and courts regarding data related to current lawsuits;
- state authorities of the subjects of the Russian Federation and local self-government authorities;
- tax agencies on requests about real properties located on the territories under their authority;
- state agencies supervising the use and protection of land and other natural resources;
- agencies responsible for state statistics.

The request for information shall identify real estate by its mail address and cadastral number.

14.2. Other agencies entitled to obtaining information free of charge in compliance with the laws of the Russian Federation state such rights in the application form.

14.3. Within five working days the Judicial Agencies shall provide top officials of self-government agencies, state authorities of the subjects of the Russian Federation, courts and police investigating cases connected with real estate and/or holders of rights, with the following free information:

- data on the language of rights establishing documents;
- general information about the rights of an individual about his/her property located on the territory under the authority of this Judicial Agency;
- title transfer information.

Such information shall be provided only on request from authorized officials.

15. Providing Information to the Judicial Agency at its Request

15.1. Within ten working days after receiving an inquiry for information required for title registration, respective agencies shall submit such information to the Judicial Agency free of charge (if not otherwise stipulated by these Provisions).

16. Providing the Judicial Agency with Information about Court Decisions

16.1. Within three days courts shall inform the Judicial Agency about court decisions and determinations related to real estate rights.

17. Providing the Judicial Agency with Information about Distressed Property

17.1. Within three days the authorities that distressed real estate shall send an attested copy of the decision to distress the property to the Judicial Agency. Relevant information shall also be sent to other agencies in compliance with current laws.

PART V. PROCEDURES FOR STATE REGISTRATION OF REAL ESTATE RIGHTS AND TRANSACTIONS.

18. Procedures for Registration of Rights to a Land Parcel Allocated by Local self-government Authorities.

18.1. The local self-government authorities shall request a land recording agency to draw maps of land parcels that are to be allocated into perpetual (permanent) use, inheritable life-time possession, ownership and lease. Local self-government authorities are recommended to maintain full cadastral information concerning the allocated land parcels.

18.2. A land recording agency shall provide a description of the allocated land parcel to an extent requested by local self-government authorities (see clause 18.1). The prepared documents shall contain a reference to the cadastral number of the land parcel.

18.3. The applicant shall submit to the local self-government agency a request to grant him the right to use (own, lease) the above land parcel.

- 18.4. The local self-government agency shall issue a Decision on the allocation of the land parcel. The Decision shall specify the transferee and the transferred rights; maps of the land parcels, bearing the cadastral numbers thereof, shall be attached to the Decision. The local self-government agency shall, upon request, issue a copy of the Decision and of all the appendices to the transferee.
- 18.5. The transferee shall apply for registration of rights to the land parcel to the Judicial Agency. The Decision of the local self-government agency and all the appendices to it (see clause 18.4.) shall be attached to the application.
- 18.6. The Judicial Agency shall register the applicant's rights to the land parcel. Rights are registered on compliance with the procedures approved by the local self-government authorities (see clause 26 hereunder).
19. Procedures for Alienation of a Building Located on a Land Parcel which the Owner of the Building has in Permanent Use or Inheritable Life-Time Possession.
- 19.1. For the purpose of state registration of an agreement and (or) ownership rights to a building, an applicant shall provide the Judicial Agency with a documented proof of his/her right to use a respective land parcel. The title transfer can be registered if it does not conflict with the current land use conditions.
- 19.2. Pursuant to Paragraph 3 of Article 552 of the RF Civil Code, the new owner's right to the building allows him/her to obtain the use or ownership land rights on the same conditions as for the previous owner of the building. Based on that right, the new owner may apply to the local self-government agency for the right to lease, hold in permanent use or own the respective land parcel.
- 19.3. The applicant (the new owner of the building) shall apply to the Judicial Agency for state registration of the right to lease the land parcel, hold it in permanent use or in inheritable life-time possession. These rights are registered in compliance with the established procedures (see clause 4 of these Provision).
20. Procedures for the Transfer of the Right to a Building Located on a Land Parcel Owned by the Owner of the Building.
- 20.1. If the conditions of the transfer of right of ownership to a land parcel or the right to use the land parcel or a part thereof are provided for in an agreement alienating the building, the applicant shall submit to the Judicial Agency a request for state registration of either one or both of the following rights: the right of ownership to the building and the respective right to the land parcel. These rights are registered in compliance with the established procedures (see clause 4 of these Provisions).
- 20.2. Pursuant to Paragraph 2 of Article 522 of the Civil Code, if the agreement does not stipulate the transfer of land rights to the purchaser of a building, the purchaser shall have the right to the land parcel under the building or to a part of the land parcel that is required to operate the building.

- 20.3. The applicant shall apply to the Judicial Agency with a request to register the right of ownership to the building. The right is registered in compliance with the established procedures (see clause 4 of these Provisions).
- 20.4. Upon registration of building rights, the land recording agency, based on an application submitted by the new owner and the right establishing documents (such as a buy-sell agreement and a certificate of state registration of ownership rights), shall draw maps of the part of the land parcel that is located under the building and is required for its operation, as well as a map of the remaining part of the land parcel and shall issue them to the applicant.
- 20.5. The applicant shall apply to the Judicial Agency for state registration of the right of ownership for the newly-formed land parcel. The right is registered in compliance with the established procedures (see clause 4 of these Provisions).
21. Procedures for State Registration of Rights to a Land Parcel which is not Described or is Inadequately Described in the Cadastre.
- 21.1. A land parcel is considered inadequately described in the cadastre if a cadastral number has not been designated to it and/or its boundaries, exact location of buildings and utilities are not drawn on the map.
- 21.2. If the cadastral survey has not been made or completed, the land recording agency shall draw a map based on available information. If a cadastral number has not been designated to a land parcel, the Judicial Agency and the land recording agency shall act in accordance with the procedures stated in clause 7 of these Provisions. The land recording agency shall provide the adjusted information about the land parcel to the Judicial Agency within one day after the completion of cadastral works.
22. Procedures for Registration of a New Building
- 22.1 At the applicant's request a building recording agency shall make technical documentation for a new building («technical passport»).
- 22.2. At the applicant's written request and based on the submitted «technical passport», the City Planning and Architecture Committee shall approve the construction of a new building and issue a certificate of building acceptance into operation.
- 22.3. The local self-government agency, based on the state commission's certificate of acceptance into operation, shall issue a Decision about the approval of the certificate of acceptance and designate an address to it.

22.4. The applicant shall apply to the Judicial Agency for the registration of the right of ownership to the building. The state registration is carried out in compliance with the procedures established for registration of rights resulting from local self-government by-laws.

23. Procedures for Registration of an Unfinished Building

23.1. Based on the applicant's written request for registration, application documents confirming the applicant's right to use the land parcel allocated to him for construction of a building, and the project estimate documentation (if and when demanded by law), the building recording agency shall prepare documents containing the description of an uncompleted building and shall provide the applicant with a report written in a required format.

23.2. The report describing the building at the moment of transfer of right may be signed by a commission comprised of representatives of a real estate recording agency, agencies supervising city planning and construction, or by the buyer and the seller (or their representatives).

23.3. The applicant shall apply for state registration of the right to an unfinished building to the Judicial Agency. The right is registered in compliance with standard procedures (see clause 4 of these Provisions).

24. Procedures for Registration of Rights to Previously Constructed Buildings.

24.1. Based on the applicant's written request and the attached documents confirming the applicant's land rights (a Decision of a local self-government agency) and land payments (such as tax and insurance payments, etc.), a copy of records from the account ledger, a certificate issued in an established format by a street council, the local self-government agency shall pass a Decision about putting the previously constructed building into operation.

24.2. The Judicial Agency shall register the rights of ownership to such building in compliance with the procedures established for registration of rights resulting from local self-government by-laws (see clause 26 of these Provisions).

25. The Procedures for Registration of Vested Rights to a Building (Premises)

25.1. In the case of the applicant's fair, open and unbroken possession of a building (or a part thereof) as if it were his/her own for a period of over 15 years, the local self-government agency, at the applicant's request and based on the application documents confirming land rights and possible payments (including tax and insurance payments), a copy of records in the account ledger, a certificate issued by a street council in an established format and other relevant documents, shall issue a Decision approving vested rights to the building.

25.2. The applicant shall apply to the Judicial Agency for the registration of the right of ownership. Such right is registered in compliance with the procedures established for registration of rights resulting from local self-government by-laws (see clause 26 of these Provisions).

26. The Procedures for State Registration of Rights Resulting from Local self-government By-Laws and Decisions

26.1. Should the rights arise from a Decision taken by state authorities or by local self-government authorities, the request for state registration of rights shall be submitted by a party specified in such Decision.
In other respects, general registration procedures shall be applied (see clause 4 of these Provisions).

27. The Procedures for Registration of Rights of State and Local self-government Authorities

27.1. In the event of registration of rights to real estate owned by the Russian Federation, Subjects of the Russian Federation or municipalities, they may be represented by state authorities, local self-government authorities, legal entities and individuals.

28. Procedures for State Registration of Rights that Arise from Court Decision or Determination

28.1. Real estate rights established by courts shall be registered by the Judicial Agency immediately upon receiving a court decision or determination without notification of the holder of rights.
The time of title transference is determined by a court decision.

- 28.2. If the court decision does not contain complete information that needs to be entered into the Unified State Title Register, the Judicial Agency shall inquire the court about the procedures of carrying out the court decision or determination.
- 28.3. The court may inquire missing information from real estate recording agencies.

PART VI. COOPERATION WITH REAL ESTATE DEPARTMENT

29. The Functions of Real Estate Department

- 29.1. The real estate department may perform some of the functions of real estate recording agencies and those of local self-government agencies within the authority delegated to it by self-government agencies.
- 29.2. The real estate department may act on behalf of applicants (legal entities and individuals) if the latter provide it with a respective agreement and/or a letter of attorney.

30. Participation in Title Registration

- 30.1. The real estate department shall cooperate with the Judicial Agency and other agencies in compliance with the procedures set up by these Provisions for entities and individuals whose functions it performs.

ATTACHMENT B - Registration Seminar Agenda

AGENDA

of the First Seminar

Title Registration: Interactions Among Rayon-based Agencies
Novgorod. June 18, 1998

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| 9:30-10:00 | Registration |
| 10:00 | Greetings by the Oblast Administration, Urban Institute and PADCO |
| 10:30 | A.McEwan, Real Estate Recording and Registration Specialist, DCO-REA: "The Role of Title Registration on Real Estate Market and Municipal Management" |
| 11:15 | Fabrichnaya T.A., Chief Registrar of Title in Novgorod Oblast: "The System of Registration in the Oblast" |
| 12:00 | Coffee break |
| 12:20 | Romanovskaya E.G., State Registrar of Title: " Unified State Title Register and Information Exchange" |
| 13:00 | Lunch |
| 14:00 | Grigorieva O.V., Real Estate Information Specialist, PADCO-REA: Draft of Model Provisions for Interaction among Rayon-based Agencies. |
| 15:30 | Coffee break |
| 16:00 | Discussion of the draft of Model Provisions |
| 17:00 | Vinogradova L.I., Head of the Judicial Agency of Novgorod Oblast Administration: Conclusions. |

DRAFT

**RULES OF OPERATIONS of
Novgorod oblast justice institution for state
registration of real estate rights and transactions**

Organizational Structure

The present document regulates the work of the following organizational units of the Institution:

- Chief State Registrar
- Expert Analysis Department
- Processing and Storage Department

Accepting and Issuing Documentation

1. Documents are accepted from applicants and issued to them at the following address: Novgorod, ul.Stratilatovskaya, 19, 4th floor. Working hours (on working days only): 10:00-13:00 and from 14:00 till 17:30.
2. Documents are accepted and then issued by reception officers appointed by the Head of Processing and Storage Department from among the employees of this Department, as well as by an Expert put on duty by the Head of the Expert Analysis Department from among the employees of this Department.
3. Reception officer does the following:
 - 3.1. He compares the titles of submitted documents and the number of their copies with the list needed for registration of the right mentioned in the Application for registration;
 - 3.2. He summons the Expert who is on duty if:
 - 3.2.1. Applicants submitted a contract which was not certified by a notary;
 - 3.2.2. The applicant is a legal entity;
 - 3.2.3. There are no methodological aides for respective types of rights/contracts/transactions;

3.2.4. There are doubts about the authenticity of an applicant's ID documents;

- 3.3. He calculates the amount of the fee;
- 3.4. He accepts an Application for registration and accompanying documentation;
- 3.5. He makes an entry in the Ledger of Incoming Documents;
- 3.6. He issues receipts against documents accepted;
- 3.7. He explains to an applicant the term of registration, provides contact telephone numbers.

The term of registration shall not exceed 30 days after an Application was submitted; information about the possibility of earlier completion of registration might be collected by an applicant via a contact telephone number one week after the Application was submitted.

If registration is to be completed urgently it will take 5 working days from the day when an Application was submitted; information about the possibility of earlier completion of registration might be obtained on the next working day via a contact telephone number.

- 3.8. He compiles a documentation file on which he inscribes the following with a pencil:
 - 3.8.1. Cadastre number
 - 3.8.2. Postal address of an object of registration
 - 3.8.3. Family name, first name, patronymics of the holder of the right
 - 3.8.4. Family name, first name, patronymics of the trustee;
- 3.9. In the Inventory of files which contain right-establishing documents (hereinafter, Inventory) he enters the following data as of the scheduled date of completion of registration:
 - 3.9.1. Family name, first name, patronymics of the holder of the right
 - 3.9.2. Address of the object
 - 3.9.3. Necessary actions relating to registration
- 3.10. He submits the Inventory to an expert from the Processing and Storage Department;
- 4. An expert from the Processing and Storage Department does the following:
 - 4.1. He accepts the Inventory from the expert responsible for accepting documents.
 - 4.2. He compares files with existing court rulings on the RE object and on the holder of the right; if such a court ruling exists he shall inform an expert about it when submitting files to him.
 - 4.3. Pursuant to an instruction by the Head of Expert Analysis Department he submits files containing enabling documentation to experts against their signature in the Inventory.
- 4.4. He controls how long it takes to carry out expert analysis and takes back files with enabling documentation as such analysis progresses.

- 4.5. He compares the incoming writs of execution on property attachment with the files which are being registered; towards this end he uses the Inventory.
- 4.6. Pursuant to an instruction by the head of the Department for processing and storing information, he submits files with right-establishing documents to experts responsible for executing documents for the following purposes:
 - 4.6.1. completion of a Certificate;
 - 4.6.2. for stamping and sealing documents;
 - 4.6.3. for attaching documents to files;
 - 4.6.4. for creating a package of documents which will be issued to an applicant;
 - 4.6.5. for obtaining the signature of the Registrar on a registration Certificate or on a "denial" to register.
- 4.7. He issues enabling documents and Certificates (or "denials") to applicants.
- 4.8. He records certificates and "denials".
- 4.9. He accepts requests for information on registered rights.
- 4.10. He makes entries in the Ledger of incoming requests.

Experts who accept and issue documents rely in their day-to-day activities on the Law of the Russian Federation "On State Registration of Real Estate Rights and Transactions", on methodological aides and on their leader's instructions.

Expert analysis of documents

5. Expert analysis of documents submitted for registration is carried out by employees of the Expert Analysis Department.
6. The Head of Expert Analysis Department distributes files which consist of documents submitted for registration (delivered by an expert from the Processing and Storage Department) among the employees of the Expert Analysis Department; every employee shall add his signature to the Inventory against the name of the file he received.
7. An employee of the Expert Analysis Department shall perform expert analysis of documents and make a decision on whether to agree to state registration or to deny it.
8. Expert decision shall be approved by the head of the Department for expert analysis.
9. In the event of positive result of expert analysis an employee of the Department for expert analysis shall make necessary entries in the Unified State Register of rights (Register), signs them and after that he returns documents and filled sheets of the Register section to an expert from the Processing and Storage Department; an expert from the records keeping department makes a germane entry in the Inventory.
10. Pursuant to a decision to deny registration an employee of Expert Analysis Department shall prepare his report on such a denial; then he has to return all documents to the Department for processing and storing information and has to make a relevant entry in the Inventory.

In the event that an employee of the Expert Analysis Department is unable to make a decision on whether to register or to deny registration he shall prepare an oral or written description of the situation and submits it to the Head of the Expert Analysis Department.

In the event that the Head of the Expert Analysis Department is unable to make a decision on whether to register or to deny registration he shall arrange for a meeting with the Chief State Registrar during reception hours set for such meetings.

The Chief state registrar receives employees of the Expert Analysis Department every day from 15:00 through 17:30. If additional information from other organizations is required a germane request shall be signed by the Chief state registrar and submitted to the Processing and Storage Department for subsequent forwarding to addressee.

Documents Flow

11. Responsibility for organizing documents flow is placed with Head of the Processing and Storage Department.
12. The Institution maintains the records as identified in the attached List.
13. Officers of the Processing and Storage Department:
 - 13.1. Obtain the documents submitted by the applicants from the reception officers.
 - 13.2. For an object having no cadastre number, obtain confirmation of its absence from respective agency, and assign a conventional number.
 - 13.3. Check Register Cardfile for existence of a Register section for the respective object. In case such section exists, supply the documents submitted by the applicant with respective Register section and File, of which a note is made in the Register Sections Cardfile and a reference card is placed into the Register.
 - 13.4. Forward completed document files to expert analysis, of which a note is made in the Inventory of files.
 - 13.5. Receive reviewed documents from expert analysis.
 - 13.6. Provide the documents subject to return to the applicants.
 - 13.7. Transfer Register sections and Files to the archive, making respective notes in the Register Cardfile.
 - 13.8. Send requests of the Justice Institution to other organizations and institutions, of which a note is made in the Ledger of Outgoing Requests.
 - 13.9. Prepare answers to requests for information on registered rights.
 - 13.10. Make entries on requests in appropriate cards in the Register Cardfile.
 - 13.11. Place a copy of the answer to a request for information into appropriate Files for the objects.
 - 13.12. According to the established schedule, produce information (extracts from the Register) for:
 - 13.12.1. Committee on Land Resources and Land Allocation
 - 13.12.2. Bureau of Technical Inventory;

- 13.12.3. Tax Inspection;
 - 13.12.4. District administration.
 - 13.13. Prepare monthly activity reports for the Institution.
 - 13.14. Make scheduled visits to the branches to render methodical assistance and monitor the Register-forming activities of the branches.
 - 13.15. Submit requests for blank forms and other expendables in a timely manner.
 - 14. The Unified Register of rights is archived in the following manner:
 - 14.1. Sections of the Register are positioned according to their cadastre (conventional) numbers.
 - 14.2. Files of right-establishing documents are kept according to the postal address of the real estate objects.
- Head of the Department will keep the files submitted for an urgent expert review separately from the files subject to an expert review under an the ordinary time schedule; both are arranged according to the date of receipt.

Documents which have to be returned to the applicants are arranged according to their cadastre (conventional) numbers.

Reception procedures

- 15. Chief Registrar receives citizens for two hours twice a week at the address: ul. Lermontova, 17.
- 16. Appointments to the Chief State Registrar are to be made with Reception Officers with regard to established reception hours (20 minutes per person).
- 17. Appointment may be made not later than 1 hour prior to the reception hours.
- 18. 1 hour prior to the start of reception the Reception Officer hands over the Reception Log to Head of Processing and Storage Department.
- 19. Head of Processing and Storage Department prepares materials for the files of the persons which have made an appointment and hands them over to the Chief State Registrar.

Attachments

LIST of documents maintained by Justice Institution for registration of real estate rights and transactions

| N | Document | Responsible Person | Notes |
|----|---|---|--|
| 1. | Ledger of incoming documents | Officer for receipt and issuance of documents | No limit on the number of ledgers kept at a given time |
| 2. | Inventory of right-establishing documents under registration (Inventory of files) | Processing and Storage Department | Inventories are sequential. |
| 3. | Ledger of files under expert analysis | Head of Expert Analysis Department | Internal reporting documents of the department |
| 4. | Ledger of issued State Registration Certificates | Processing and Storage Department | |
| 5. | Cardfile of Register sections | Head of Processing and Storage Department | |
| 6. | Ledger of incoming requests | Head of Processing and Storage Department | |
| 7. | Ledger of outgoing requests | Head of Processing and Storage Department | |

Ledger of files under expert analysis

The Ledger will contain the following columns:

Date received by the Expert Analysis Department

Incoming number of the File of right-establishing documents

Priority status

Cadastral (conventional number of the object)

Register section and File additionally provided (yes/no)

Expert analysis:

Expert's name

date and time of submission

date and time of receipt

Storage Officer

date and time of receipt

signature

ATTACHMENT D - Agenda for Second Registration Seminar

AGENDA

of the second seminar

Title Registration: Interactions Among Rayon-based Agencies

Novgorod. September 3, 1998

- | | |
|------------|---|
| 9:30-10:00 | Registration |
| 10:00 | Greetings by PADCO |
| 10:30 | A.Sobolev: "Actual Goals of Interaction among Property Cadasters and Title Register" |
| 11:00 | I.Rumiantsev: "Legal and Economic Bases for Interactions of Agencies in the framework of Creating and Using the Title Register" |
| 11:30 | Coffee break |
| 11:50 | Land Committee representative: "Creation of the Land Cadaster in Starorussky Rayon and Interactions with the Branch of the Judicial Establishment" |
| 13:00 | Lunch |
| 14:00 | Head of Starorussky Branch "Creation and Maintenance of the Unified Title Register by the Judicial Institution and Property Recording Agencies". |
| 14:30 | Head of Soletsky Branch "Creating and Using the Unified Title Register by the Judicial Institution and Property Recording Agencies" |
| 15:00 | Coffee break |
| 15:20 | Discussion of reports. Free exchange of opinions |
| 17:00 | Conclusion - representative of the Oblast Judicial Establishment for Title Registration |

ATTACHMENT E - Property Information Check List Item #3 - Information Checklist

Real Estate Site Analysis Checklist

Appendix IV SITE OWNER:

Full name:

Address of owner or his representative:

Rayon Administration (authorized official):

Appendix V SITE LESSEE:

(including all lessees and holders of perpetual permanent use rights)

Appendix VI LAND USE RIGHTS:

The boundaries were established and the property described in (date) and was allocated to (whom, for what use).

The right of (ownership, leasehold, sublease) was registered

Buildings and premises located on the land parcels are owned by and registered (by whom, when, enlist).

On-site utilities (description, ownership).

Encumbrances (use designation, registered zoning restrictions for land use and development, etc.)

Appendix VII ON-SITE FACTORS:

The land parcel is a (fenced, partially fenced, unfenced) site of(size)sq.m.

The parcel was surveyed (not surveyed)

The boundaries were established (not established)

Registered servitudes and encumbrances

Cultural landmarks and historical monuments (if registered).

Soil conditions (e.g.: Soils permit all types of civil construction)

Terrain

Flood and subsidence danger

Code of socio-economic district (or tax zone code):

Land leasehold rates: 1996,1997, 1998,1999.

Land tax rates: 1996,1997, 1998,1999.

Appendix VIII UTILITIES:

Electrical power service (none or electricity is supplied by means of a power line with the capacity of). The site contains a transformer sub-station owned by (name, owner, contact person, address, telephone) with

transformers that completely satisfy the need for electricity. In addition, the site is hooked to a reserve power line with the capacity ofrunning from a transformer sub-station (owner) that can be used in case of emergency.

If electrical power is not available, state possibilities for connection, approved capacities (if any), costs of works including planning, connection, installation of power lines, construction of a sub-station, etc. (company's name, company's representative).

Heating (available or not, type of boilers and their working condition, type of fuel, capacity).

Gas (state if medium pressure gas is available and what pipe diameter is. What is gas capacity and who designates it, address, telephone, authorized representative. If gas is not available, what is the potential for connection, distance to the nearest pipe line, connection costs).

Water (see information required under "gas"); potential for independent water supply (who approves the project, who approves water capacity, who is responsible for construction and supervises the system)

Sewer. (Information on municipal sewer and drainage, estimated construction and connection costs, capacities, authorized representative).

Environment. Soil contamination, water and air pollution, if any, statement of environmental condition (who issued or can issue an environmental condition certificate).

Fire danger: (distance and ownership of the nearest fire station).

TRANSPORT:

Access to air lines, railway stations, highways and navigable water.

Transportation (access to the site, approvals by police inspection (GAI) and other agencies concerned), landscaping and road improvement (if required).

Railway spur (potential for railroad connection).

Railway planning (address, contact persons)

Construction company (address, contact person).

Railway service is provided by (address, contact persons, service rates)

Planning and construction costs of 1 m of a railway spur will be -----\$, as estimated by experts (address).

Cargo water transport (availability, nearest docks, required approvals, service rates).

IDENTIFIED DAMAGES IN OPERATING UTILITIES AND REQUIRED REPAIRS

on the site or neighborhood.

(Electrical power service, heating, sewer, road construction, gas, anti-fire system, necessary road and ground works)

ATTACHMENT F - List of Property Reports (contained in “Appendix” to Roll-out Manual

ITEM #1.1 - Borovichi Site

PROPERTY DESCRIPTION

Location: 30 Metallistov St., Borovichi, Novgorodskaya Oblast, Russia

ITEM #1.2 - Malaya Vishera Site

PROPERTY DESCRIPTION

Location: Meretskova Street, Malaya Vishera, Novgorodskaya Oblast, Russia

ITEM #1.3 - Staraya Russia Site

PROPERTY DESCRIPTION

Location: 29 Nekrasova St., Staraya Russa, Novgorodskaya Oblast, Russia

ITEM #1.4 - Valday Site

PROPERTY DESCRIPTION

Location: 392 km, Moscow-St. Petersburg Highway (M10) Valday, Novgorodskaya Oblast, Russia

ATTACHMENT G - Agenda for Land Market Seminar

The United States Agency for International Development
USAID Project for Novgorod Oblast "Regional Investment Initiative"
DEVELOPING A LAND MARKET
AND PREPARING FOR INVESTORS
*Seminar for Local Government Administrators
And Enterprise Managers*

June,30,1998

- 9:30 Registration
- 10:00 Introduction (Vladimir Alfimov, Oblast KUGI Chairman)
- 10:15 The Goals of the Seminar (Richard Miller, CoP Land and Real Estate Reform Sector, RII)
- 10:30 Relationship between Real Estate and Economic Development (Steve Dixon)
- 11:00 Investor's Perspective on Russian Market (V. Miagkov)
- 11:15 – 11:30 Coffee Break
- 11:30 Ownership Rights vs Leasehold rights (V.Miagkov)
- 12:45 Legal Issues for Land Privatization (V.Miagkov, S.Dixon)
- 13:30 Lunch Time
- 14:00 Land Inventory and Site Selections (S.Dixon)
- 14:40 Property Documentation (A.Favorskiy, V.Miagkov)
- 15:00 Determining Market Value of Land (V.Miagkov)
- 15:45 Planning Auctions and Tenders (N.Lepeshkin, City Land Committee)
- 16:00 Marketing and Advertising (S.Dixon)
- 16:30 Questions/Answers Discussion

ATTACHMENT H - Table of Contents for Guide for Development of a Land Market

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"GUIDE FOR DEVELOPMENT OF A LAND MARKET"

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Appendix III. Stimulating Land Markets

B. Draft of Oblast Raion-municipality Land auction preparation process

WORKPLAN FOR NOVGOROD OBLAST MARKETING EVENT

| No | Tasks | Party | Start Date | Date Compl. | Work Product | Paid By? | Remarks |
|----|--|--------------------|---------------|---------------|--|--------------|---|
| 1 | Property Selection | PADCO/Raion Oblast | Oct. 1, 1997 | Feb. 15, 1998 | List of properties | PFF | Site visits and raion mtgs. |
| 2 | Preparation of Property Detail Information | Raion | Oct. 20, 1997 | Feb. 28, 1998 | Complete data files | Raion | PADCO will monitor & assist |
| 3 | Data Review and Investor package preparation | PADCO/Raion | Dec. 15, 1997 | Mar. 15, 1998 | Final package ready | Raion | PADCO will advise & assist |
| 4 | Event planning, design investor pre-qualification profile & site use conditions a- establish event type b- select event location c- select event operations team d- identify properties to be sold/leased e- select marketing team f- lawyers & officials establish investor pre-qualification characteristics g- lawyers & officials establish property use conditions & development plans | PADCO/Raion Oblast | Jan. 12, 1998 | Mar. 31, 1998 | Legislative drafts, event date, site, type | PFF/Oblast | COP/Miller & Working Group will coordinate all parties |
| 5 | Marketing plan development & Bid package prepared. a- establish event participant profile & create mailing list b- conduct media cost survey & establish event media budget c- begin design work on event bid documents & promotional brochures d- set advertising schedule & implement | PADCO/Oblast | Feb. 15, 1998 | Mar. 31, 1998 | Advertising plan | Oblast/Raion | Funding sources must be identified. Bidders buy package |

| | | | | | | | |
|-----------|---|-------------------|---------------|----------------|--|-----------------|--|
| | Complete/distribute Information Packets | | | | | | |
| 6 | Oblast issues necessary regulations for event a- Governor & local Duma draft & approve required regulations to authorize event & procedures. b- set up bank accounts for deposits | Oblast/Raion/R II | Jan. 12, 1998 | Mar. 31, 1998 | Final Duma & official signatures | Oblast/Raion | PFF will provide legal support |
| 7 | Site boundary markers set a- set temporary boundary line markers b- obtain bids from survey companies to perform official cadaster plan. | Raion | Feb. 28, 1998 | April 30, 1998 | General plot plans | Raions | Final cadaster survey after event |
| 8 | Utility monopoly negotiations a- locate and map nearest connection point to each utility source line b- get written conditions from utilities | Oblast/Raion | Jan. 12, 1998 | April 30, 1998 | Infrastructure scheme & cost estimates | Raion/ Monopoly | Scheme should show nearest supply line & est. cost to site |
| 9 | Assemble Investor mailing list a- contact each foreign consulate commerce officer for list of companies interested in Russia b- create list of major western real estate brokers c- create list of known investment funds d- create list of all entities who contact city & oblast for information on investments e- Design, approve, and fund advertising campaign | PADCO/ Oblast | Feb. 1, 1998 | Mar. 31, 1998 | Name & address list | PFF | Assistance from Consulates |
| 10 | Finalize Event Agreements a- lawyers & officials agree on final event documents | Oblast/PFF | Feb. 15, 1998 | April 30, 1998 | Purchase forms & bid documents | Oblast/ PFF | PFF legal support |
| 11 | Establish Bid Review Committee a- Oblast creates Committee through official decree b- Oblast sets Committee procedures c- Oblast appoints Committee chairman & members | Oblast/Raion | April 1, 1998 | April 30, 1998 | Official List Approved | Oblast | PFF provide legal & technical support |

| | | | | | | | |
|-----------|--|------------------|--------------|---|----------------------|--------------|---|
| | Establish "registration" requirements and assign responsibility | | | | | | |
| 12 | Establish Post event schedule to finalize sales a- set clear, specific procedures for completion of each transaction b- set time schedule for completion of each procedure c- identify which official or administrative department is responsible for completion of each procedure | PFF/Oblast/Raion | Mar. 1, 1998 | April 30, 1998 | procedural checklist | PFF/Oblast | PFF provide technical support |
| 13 | Pre-Event Marketing Fair (if held) | PFF/Oblast | Feb. 1, 1998 | April 15, 1998 | Event Completed | Oblast | PFF provide technical support |
| 14 | Site Signage "Pre-auction Information Activities" a- design & order billboard type sign for each site b- erect signs on sites c- Distribute Information Packet d- Conduct Site Orientation meetings e- Pre-auction Information Conference f- Last day to distribute Information Packets and register participants | Raion | Mar. 1, 1998 | April 15, 1998 | Each site w/signage | Raion | PFF provide technical support |
| 15 | Event or Bid Submission Deadline a- establish specific procedures for receiving of bids b- establish procedures for handling deposits c- establish procedures for bid reviews & criteria for analysis of each bid d- Conduct Auction | PFF/Oblast/Raion | | May 15, 1998 6th of June | Event or bids | Oblast/Raion | Bidders will provide Letter of Credit as deposits |
| 16 | Bid Approvals & Notification a- set schedule for bid review & analysis b- set schedule for final decision & method of notice to winning bidder. c- set procedures for public notice to media of bid | Oblast | May 15, 1998 | June 15, 1998 | Accept/Reject Bids | Oblast/Raion | Bid Review Committee recommends & official signs |

| | | | | | | | |
|-----------|--|---------------|---------------|---------------|------------------------|--------|----------------------------|
| | results | | | | | | |
| 17 | Winning Bidders sign Buy/Sell or Lease Agreement a- establish who will sign agreements b- set schedule for each transaction completion c- establish transaction file & who will be responsible for monitoring each file | Oblast/Raion | June 15, 1998 | July 31, 1998 | Final Agreements | Raion | PFF provides legal support |
| 18 | Raion/Oblast receive bidder payments a- establish bank accounts for receiving funds b- set criteria for distribution of proceeds c- Winners, sellers execute lease or sales documents | Bidder/Oblast | June 15, 1998 | 7 July | Funds Received | Bidder | |
| 19 | Bidder starts development processes | Bidder/Raion | June 15, 1998 | | Approvals/Certificates | | Normal approval process |

C. PADCO Recommendations on Proposed Future Activities in Land Titling and “Pro-Active Marketing”

August, 1998

Sub-Task a: Land Title Registration

Financial Sustainability Analysis

The local governments and many oblast governments in Russia have limited resources and the most promising form of new revenues is property tax. Property taxation is dependent upon a fiscal and a legal cadastre, a property registration system. If the later is not financially sustainable or sustainable to the extent that it is not legally fully dependable for both the public and private sectors, it will fail in its objective.

RECOMMENDATION: USAID should develop a module for the proposed property registration procedural guidelines manual that addresses financial sustainability, in abstract, using fee structures proposed by the RF and various assumptions about the types and numbers of fee earning transactions/registrations.

Multiple Amendments to the Scope of Work

While a concern due to the limited resources under the task order, nevertheless the ability to respond to the changing needs of the clientele is what made this assistance successful.

RECOMMENDATION: USAID should design technical assistance programs with the flexibility and provide the contractor with the authority to quickly respond to changing priorities and needs in order to meet agreed upon strategic objectives.

National Model

Finally the RF legislative mandate is in place to fully establish the infrastructure for property registration and the protection of private property rights.

RECOMMENDATION: USAID should utilize the products of this task order and, with additional resources through DURER or another vehicle, prepare a guide or manual that can be disseminated throughout the federation.

Sub-Task b: Pro-Active Land Marketing

Ownership Rights

The land privatization process has virtually ground to a halt. Not only have many oblast and local officials in cities like Novgorod resisted the sale of ownership rights, they have passed ordinances that make privatization economically unattractive. Investors have demonstrated that secure ownership rights are much more attractive to them than the right-to-construct/leasehold option.

RECOMMENDATION: USAID should continue the efforts of this project in uncovering and then solving the outstanding issues surrounding the sale of ownership rights, both at the local, regional and national levels. Novgorod Oblast may not be as receptive as other oblasts like Samara.

RF Land Ownership

The fact that the RF has not transferred property within local jurisdictions to those jurisdictions means that ownership rights cannot be sold as the municipality cannot prove ownership and the right to sell.

RECOMMENDATION: USAID should support further efforts at the RF and the regional levels to develop model procedures for this transfer to occur. If this process is not sufficiently legally documented the underlying rights to the properties involved will be compromised.

Normative Land Pricing

The action of the Novgorodsky Oblast Duma in passing an act that raises normative prices for land to levels above current demonstrated market values effectively halts land privatization whether this was the intent or not.

RECOMMENDATION: USAID RII coordinators should discuss this directly with the Oblast leadership and seek reconsideration of this act as it undermines the principal objectives of the RII Program, the stimulation of investment.

Utility Restructuring

The impact on land values of under investment in municipal infrastructure has been largely overlooked. The negative impact on land privatization and investment is obvious.

RECOMMENDATION: USAID should recognize this interrelationship in their current and future programs, seeking ways to mitigate and quickly overcome this negative impact. Further, USAID should continue to support the efforts of the IBRD and EBRD in the financial and institutional restructuring and channeling financing to utility companies in Russia.